GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3772
ANSWERED ON:09.08.2016
Fertilizer Industry
Chudasama Shri Rajeshbhai Naranbhai

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a section of the fertilizer industry has urged the Government to look into their problems and help the industry as well as prevent imports;

(b) if so, whether production of fertilizers was suspended by several companies and the shortfall had to be met by imports;

(c) if so, whether under "Make in India" initiative, the Government proposes to take any steps to protect the fertilizer industry and make the country self-reliant in fertilizers and if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS, SHIPPING, ROAD TRANSPORT & HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a): Department of Fertilizers, from time to time, keep receiving representations from fertilizer industry on various issues which are looked into by the Department on timely basis. No representation/request has been received so far on prevention of imports of fertilizers. A few P&K fertilizer companies had requested for granting concession for encouraging indigenous production to check imports.

(b): No, Madam. The total production of the urea during the year 2015-16 was 244.75 LMT which was approximately 20 LMT more than the total production during the financial year 2014-15. The demand-supply gap was met through imports.
(c) & (d): Department of Fertilizers has announced New Investment Policy (NIP) − 2012 on 02nd January, 2013 and its amendment thereof on 07th October, 2014 to facilitate fresh investment in urea sector and to reduce import dependency.

The Government has also announced New Urea Policy-2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in the urea units; and to reduce the subsidy burden on the Government.

Government has approved to revive five defunct fertilizer units of the Fertilizer Corporation of India Ltd (FCIL)/Hindustan Fertilizer Corporation Ltd.(HFCL) by setting of urea plants having capacity of producing 1.27 Million Metric Ton (MMT) Urea per annum at each of these units. These five units includes Talcher, Ramagundam, Gorakhpur and Sindri units of FCIL and Barauni unit of the HFCL. In addition to these five urea plants Government has also approved to establish a new Brownfield Ammonia − Urea Complex (Namrup-IV) in the existing premises of the BVFCL The capacity of this plant will be 8.646 Lakh Metric Ton Per Annum.

So far as P&K fertilizers are concerned, the country is dependent on imports for 100% requirement of potash and upto to 90% in phosphatic sector in the form of either finished fertilizers or raw material. Even the nitrogen requirement of P&K fertilizers is mostly met from imports. Hence, the Department is encouraging fertilizer companies to set up joint ventures abroad with long term off take agreements and acquire fertilizer assets in resource rich countries to ensure continuous availability of finished fertilizers/raw materials in the country.

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